CHARITABLE GAMING HGHLIGHTS

APRIL 2013

VOLUME 26, ISSUE 1



Special Needs Volunteer Learns Life Skills at Bingo

By Inspector Judy Gray

 \mathbf{I} have to admit that regardless of who you are, bingo has probably taught you something. As an inspector I know it has taught me a lot. Players and workers have learned as well. I would like to tell you about a bingo worker who has a greater outlook on life due to working bingo. His name is Tim "Timmy" George. Timmy graduated from high school in 2001. When he graduated he was unable to read, could hardly write and could not add. He was having approximately 10-12 seizures a day and just kept to himself.

In 2002 his mother, Rosemary, was asked to assist a friend with his bingo games. He needed a good record keeper and thought Rosemary could help turn the game around. Because Timmy was having so many seizures a day, Rosemary felt she could not leave him alone and asked if she could bring Timmy in as a bingo worker. His job was guarding the money in the office when his mother had to leave. He took his job seriously but was very bashful and didn't interact with the players or workers. In fact, he wouldn't leave the office. During the time he spent in the money room Timmy began to learn that four quarters equaled \$1.00 and that two quarters would buy one strip. So he started selling singles. He progressed to selling three strips for \$1.00. He began selling cards on the floor and this forced him into talking to players. He started selling to one row of players and then two; he eventually progressed to the non-smoking room. His new-found confidence resulted in his request to sell charity game tickets. Again, his mother taught him how to make change for \$5, \$10 and then \$20 dollar bills and he began by assisting the charity game ticket seller. He now is in charge of charity game ticket sales and has sold as many as 27 deals of Lucky Bingo Balls in an evening.

Timmy recently turned 30-years-old and I personally have watched him grow over these last 11 years. Timmy can now use a calculator. He is very outgoing, talks to everyone, assists and waits on players, and is always thinking of others. He enjoys playing bingo and Texas Hold'em and has won more than a couple tournaments.

Occasionally we hear about someone who has had their life changed as a result of bingo. It's that occasional big winner in Vegas, Canada, or even at our local charity bingo games. There is no one I have heard of—even the winners of millions—who have had a profound life change like that of Timmy George of Muskegon. And it wasn't due to winning millions of dollars.



Bingo worker Timmy George





APRIL 2013 V

VOLUME 26, ISSUE 1

Hot Ball Variations

The last issue of HIGHLIGHT\$ introduced licensees to the concept of a Hot Ball number, which adds a "side bet" element to bingo. The Hot Ball number is determined when a ball is drawn at the beginning of the bingo occasion. For any games that the Hot Ball is assigned to, if a player bingos on the Hot Ball number that player wins not only the prize for that game but they also win the Hot Ball prize.

When determining the number of games to which the Hot Ball is applied, the odds affect how frequently the prize will be awarded. The chance for any bingo game to be won on the Hot Ball number is 1:75. To determine the odds for the Hot Ball to be awarded over the duration of the bingo event, divide 75 by the number of games that you would pay on the Hot Ball. For example, if you have 8 regular games during bingo that will pay on the Hot Ball, divide 75 by 8. The odds of the prize being awarded are 1:9.4 (which is about an 11% chance).

The most profitable way to have a Hot Ball game is when players buy into it (typically this costs \$1). Player-funded Hot Balls minimizes lost revenues. Up to 100% of the proceeds can be paid in prizes.

Total prizes on one bingo game cannot exceed \$1,100—this would mean the prize for a given game plus the Hot Ball prize (if it applies to that game) cannot exceed \$1,100. However, Hot Ball prizes are usually capped at a much lower amount (such as \$250).

If players are buying into Hot Balls, any sales beyond the cap could be pure profit to the organization—or—sales that exceed the cap can be rolled into the pot for a new Hot Ball prize. Each Hot Ball prize is maintained on a separate accountability form.

The VFW in Gwinn caps their Hot Ball prizes at \$150 and rolls additional sales into a new Hot Ball. Recently they were up to five simultaneous Hot Ball numbers, four had maxed out at \$150 and a fifth one had just started. That day, a player had a bingo on the Hot Ball number for the fifth game—which had just started to accumulate, while the other four games remained maxed out at \$150.

While Hot Balls isn't played on specials as frequently as regular games, if your workers can hustle, the Hot Ball has the potential to generate extra floor sales on specials that are played with a Hot Ball. Make an announcement several minutes before each Hot Ball game for last minute sales.

NOTE: Bingo Rule 317(14) prohibits the exchange of bingo cards during the game for which that card is valid, except when using concealed cards. This is especially applicable to a Hot Ball game because players would be tempted to exchange their cards or search for cards that contain the Hot Ball number.



Once a Hot Ball number has been determined, players may not exchange their cards for any games for which the Hot Ball is applied.

If you offer a Hot Ball game, your program must include the following:

- ne cost to buy into the Hot Ball (if there is a charge).
- I games for which the Hot Ball is available.
- w the Hot Ball number(s) will be determined. Some organizations use the first number out during their Earlybird games.
- ne value of the Hot Ball prize (plus the percent of additional sales, if applicable).

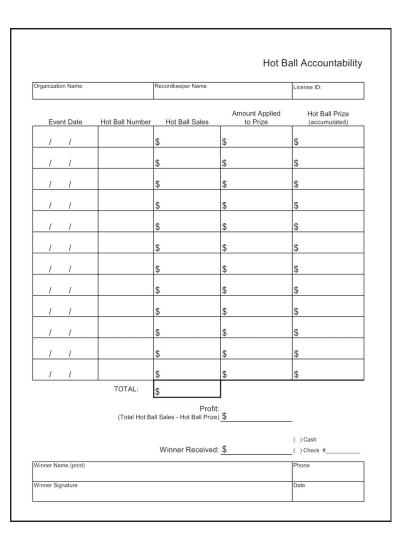
ACCOUNTABILITY

All players that buy into the Hot Ball game must have proof of their purchase.

There is a need for accountability of the Hot Ball games, both to assist the licensee in keeping track of the growing pot and also a way to document the play of the game. If your organization doesn't have a comprehensive accountability form, Charitable Gaming's Hot Ball Accountability form can provide organizations with a means to track any sales, the amount(s) added to the prize each week, and the prize amount.

The form also helps to determine the profit the organization has made.

If the Hot Ball is not won, all prize money must be deposited along with other revenue. It should not be set aside in an envelope. The accountability form keeps track of the accumulated prize amount.



CHARITABLE GAMING

HIGHLIGHTS

APRIL 2013

VOLUME 26, ISSUE 1

Barryton Lions Bingo Keeps Kids Tech Savvy

By Lauren Fitch, Big Rapids Pioneer Staff Writer

BARRYTON – When Barryton Elementary School principal Lyn Crosby received a letter saying the local Lions Club was granting her school \$25,000, she thought there was a typo on the amount. In June, the Barryton Lions Club approached her about wanting to donate to the school. Crosby requested \$4,000 to purchase an iPad for each classroom in the PS-4 school. In September, the Lions exceeded her expectations with \$25,000 to purchase 40 iPads and accessories.

"I was so taken aback," Crosby said when members of the Barryton Lions arrived at the school Monday to present a check. "I was just looking for an iPad for each classroom, just to get them into kids' hands."



Members of the Barryton Lions Club granted Barryton Elementary School \$25,000 to purchase iPads. Lions representatives pass off check to Barryton Elementary principal.

A couple of years worth of proceeds from the Lions Club's weekly bingo games raised money for the grant. Community members are invited to join the bingo games at 6 p.m. every Tuesday at the community building; the doors open at 4 p.m.

"We were able to put all of that (money) back into the community," said Beverly Timpy, a member of the Lions' grant committee.

Barryton Elementary assembled a six-person committee to decide how the grant money should be spent. The 40 iPads will be divided up with one in each classroom, plus 30 on a mobile cart that teachers can reserve as needed. The school also will purchase cases for the iPads and 16 wireless "AirPorts" for the building that will allow teachers to project the work on their iPads at the front of their classrooms. "We put a lot of time and effort into researching and making sure we are spending (the grant) so it will reach all students," Crosby said.

Members of the Lions Club are happy to help local students.

"We want our kids to have the same advantages that kids in bigger cities have," said Ellen Shanafelt, a member of the Lions' grant committee. "There's nothing that gives us a great feeling of pride than giving back to a local school."

Small Raffle Financial Stats to be Required

Soon all small raffle licensees will be required to submit a financial statement. Submission of a financial statement allows the Bureau to examine the integrity of the raffle event and to ensure that all proceeds are accounted and used for the lawful purpose of the licensed organization.



A small raffle license allows a total prize value of up to \$500 per day, and can include several drawing dates at one location.

Check the web site at www.michigan.gov/cq for updates on when this requirement will take effect.



Featured Bingo: Sheridan VFW

When bingo chairperson Eric Halvorsen of the VFW in Sheridan read the last issue of HIGHLIGHT\$, he wanted to try some of the ideas offered—to hold a 40 years of bingo party with a 70's theme, test new game ideas, and advertise well. Since January 1 was a scheduled bingo day, it seemed a perfect day to schedule a party. Eric encouraged workers and players to wear clothing from the hippie era. Two of the specials were changed for the occasion to see what players thought of them and a Hot Ball game was tested. To ensure everyone in the area knew about it, Eric advertised the event in local papers and on their Facebook page.

Advertising paid off as attendance jumped from less than 50 to 81 that day, bringing in players from towns 30 minutes away. A few players came that hadn't played bingo in a long time. While not many players were hippie attire,

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Halvorsen got lots of smiles for his full head of locks.

they enjoyed seeing the workers costumes. Since no one had a bingo on the Hot Ball number during the event, the pot rolled over for the next occasion. In the end, the bingo party was a great way to attract people looking for something different to do.

If you are interested in conducting a party bingo, feel free to contact the Charitable Gaming Division to see how we might be able to help you. Advertise well and reprint the bingo program with any changes, even if it's just for one day. Give your down pat. workers a copy of the program and time to review it.



This bingo worker had the hippie look down pat.

And make sure you have enough workers to handle a potentially larger crowd.

Inspectors to Assist Bingos with Profitability

ast year over \$85 million was spent on bingo cards and admission to bingo. Unfortunately, bingo licensees on average have been losing money on bingo sales. Bingos were encouraged by some in the industry to allow bingo profit to diminish and make up for it in charity game ticket sales. While the idea of making up losses with ticket sales sounds good in theory, when a bingo gives away more in prizes than it can afford, it forces neighboring bingos that might have lower ticket sales to compete. The continued practice of bad business choices has fueled a downward spiral in profitability and increase in bad debt.

The complex challenges of pricing, prizes, and being competitive can cause organizations to lose sight of techniques that can be implemented to stay healthy. Inspectors are visiting their bingo licensees with a greater focus on profitability. For those that are losing money, inspectors will be able to evaluate the stats, help identify the areas that can be improved upon, and provide options for addressing those areas. With a new focus on making bingos more successful and continued follow-up, the Charitable Gaming Division looks forward to healthier bingo in Michigan.

CHARITABLE GAMING

HIGHLIGHTS

APRIL 2013

VOLUME 26, ISSUE 1

Three "Internet Sweepstakes Cafés" Raided

Gaming Control Board Press Release (December 19, 2012)

DETROIT - Troopers from the Michigan State Police (MSP) Gaming Section, along with Agents from the Michigan Gaming Control Board and Attorney General's office, served search warrants on three "Internet Sweepstakes Cafés" in Monroe and Washtenaw Counties where suspected illegal gambling was taking place. Two additional search warrants were served on banks in Michigan, freezing monetary assets connected with the locations.

A total of 84 computers and equipment used for illegal gambling were seized from the establishments in Michigan, as well as approximately \$9,000.00 in cash. Additional warrants were served in Ohio resulting in the freezing of \$66,000 in additional financial assets. No arrests were made at this time and the investigation is ongoing.



AP photo / The Detroit News

Internet Sweepstakes Cafés sell internet access to customers entitling them to a certain number of sweepstakes entries. The sweepstakes entries are then wagered on casino-style video slot machines allowing them a chance to win cash prizes.

The Michigan Penal Code and the Michigan Gaming Control & Revenue Act strictly prohibit unregulated gambling. The only gambling authorized under state law includes pari-mutuel horse racing, bingo, the state-sponsored lottery, and certain charity events along with casino gambling licensed under the Michigan Gaming Control & Revenue Act.

Since May 3, 2012, the Attorney General's Alcohol & Gambling Enforcement Division, after investigations conducted by the MSP Gaming Section and the Gaming Board, has successfully closed 32 sweepstakes café locations operating illegal gambling operations in Michigan.

The MSP Gaming Section was also assisted by Secret Service and the U.S. Attorney's office in Detroit along with deputies from the Monroe County Sheriff's Office and troopers from MSP Brighton Post.

Michigan citizens are encouraged to report any suspicious or illegal gambling to the Michigan Gaming Control Board by calling their 24-hour anonymous tip line at 888-314-2682. To contact the Attorney General's Alcohol & Gambling Enforcement Division, please call 517-241-7210.

In the Public Meeting Minutes of the Michigan Gaming Control Board held on January 22, 2013, it was reported that the Attorney General's office and the Michigan State Police have served 19 case and desist orders and executed search warrants of the sweepstakes cafés throughout Michigan. To date, 46 of these businesses had been closed. Efforts continue to close the remaining legal gambling operations.



Drafted Bill Would Allow Smoking in Licensed Clubs

On April 11, 2013, Representative Geiss introduced House Bill 4536 to the Committee on Regulatory Reform which, if passed, could exempt from the smoking ban licensed clubs with separate smoking rooms (under certain conditions). The bill also allows less restrictive liberties to existing clubs that file an affidavit within 30 days after the act is amended and on January 31 of the following year. Check the legislature website (www.legislature.mi.gov) for details as well as the most current updates. Any opposition to or support for this bill can be voiced by contacting your legislators.



License Suspensions

The following organizations had their gaming license(s) suspended:

<u>Organization</u>	<u>City</u>	Suspension Period		License Type
AMERICAN LEGION 165	Midland	11/11/12 -	11/17/12	Annual CGT
AMERICAN LEGION 322	Saline	3/3/13 -	3/16/13	Annual CGT
EAGLES 2254	Monroe	9/23/12 -	11/3/12	Annual CGT
EAGLES 3701	Newberry	9/23/12 -	9/29/12	Annual CGT
ELKS 1945	Dearborn	10/4/12 -	4/6/13	All
LENAWEE CO AG SOCIETY	Adrian	12/14/12 -	2/11/13	All
MILWOOD LITTLE LEAGUE INC	Kalamazoo	12/9/12 -	12/22/12	Bingo
MOOSE 531	Cadillac	3/17/13 -	3/30/13	Annual CGT
MOOSE 1190	Northville	1/20/13 -	1/26/13	Annual CGT
MOOSE 1278	Mt Clemens	12/9/12 -	12/15/12	Annual CGT
VFW 3943	Newport	11/4/12 -	11/10/12	Annual CGT
VFW 4573	Ishpeming	1/6/13 -	2/2/13	Annual CGT
VFW 4573 AUX	Ishpeming	1/6/13 -	1/19/13	Bingo

Long-Time Civil Servant Retires

By Katherine Henney

The Charitable Gaming Division announces the retirement of Inspector Ann White. Ann's career began in the early 80's when she began working with a local police academy and completed firefighter training after which she continued working for a small police department. During the mid-80's while working with the Department of Corrections, Ann started working with Charitable Gaming.

Ann tells of the many positive experiences while working with charities and witnessing their creativity, generosity and dedication to their bingos, players and community. Ann will be greatly missed by her customers, co-workers, and friends in Charitable Gaming.



Michigan Lottery

Charitable Gaming Division

Training Meetings

The following training meetings are scheduled through the end of the calendar year. Training meetings will include bingo, annual charity game, and raffle license information.



Go to www.michigan.gov/cg for this and previous issues of HIGHLIGHT\$.